

Cash Rental Rates in Missouri

The United States Department of Agriculture (USDA) reports that 9.7 million acres of Missouri cropland and pastureland were rented to farmers who did not own the land. To help both landowners and farmers, the University of Missouri has periodically surveyed landowners and farmers to detect trends in rental rates. The latest survey was taken in the summer of 2021.

One hundred and twelve Missourians responded to an online survey with sufficient information on 192 rented fields. Sixty-two percent of the responses were from landowners while 38% were from tenants. About 40% of respondents to the survey indicated they had leased the land they reported on for 5 or less years. The longest uninterrupted lease reported was 36 years. Our analysis of their responses are reported in this guide. They were asked to provide information on cash rental

rates for Missouri cropland, pastureland, grain bins and fee hunting.

The number of responses are reported in the tables below. The number and variability of responses prevents hard conclusions about rental rates across Missouri and those with few responses may not be representative of actual rental rates. One quick lesson is that while rental rates are correlated with productivity, other factors affect rental rates so that no hard rule can be established.

This guide should be used as one piece of information among many factors that affect rental rate negotiations and should not be the sole basis for determining your rent. Factors affecting rental rates include the acres available for rent in a locale, the number of farmers seeking to rent land for cash, productivity of the land, size of the parcel, production costs and market prices.

Table 1 presents a summary of the crop and pasture rental rate survey responses. The survey asked

Table 1. Cash rent paid for Missouri crop and pasture land in 2021.

	Average (\$/acre/year)	Range in rents (\$/acre/year)			Normal yield per acre	Number of responses
		Low	Mid ¹	High		
Cropland						
Dryland row-crop	147.42	63	146	265	161 bushels corn 51 bushels soybean	143
Dryland wheat	113.91	60	100	175	82.5 bushels	11
Irrigated row-crop	195.88	115	181	300	209 bushels corn 56 bushels soybean	16
Irrigated rice	204.00	137	211	275	8,055 pounds	6
Pasture and grazing land						
Intensively managed pasture	45.07	30	40	70	Less than 2.5 acres per cow-calf pair per year	28
Good pasture	40.27	15	40	63	Less than 4 acres per cow-calf pair per year	84
Fair pasture	33.98	12	32	70	4 to 7 acres per cow-calf pair per year	28

1. The mid rent in the range has an equal number of responses below and above it.

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respondents to report the cash rental paid or received in 2020 and 2021, the crops grown in 2021, and the expected yields of that farm. Most farmers reported that they grew both corn and soybeans on the same farm in the same year. For this reason, the rental rates are reported as “Row-crop” ground and includes those who grew corn and soybeans. The rental rate for row-crop ground in Missouri averaged \$147.42 per acre. Farmers reported an average cash rental rate on wheat fields of \$113.91/acre; \$33.51 lower per acre than row-crop land.

Irrigated row-crop land was predominately reported as growing both corn and soybean. The irrigated row-crop rental rate is reported as \$195.88; \$48.45 more per acre than dryland row-crop land. Irrigated rice farmers reported rental rates of \$204.00 per acre.

Other crops reported on some survey responses included cotton and hay. Not enough responses for these crops were obtained to provide good estimates.

Good pasture/hay ground had an average rental rate of \$40.27/acre. Fair pasture users reported rental rates of \$33.98 per acre. This year we asked for rental rates of intensively managed pasture which use less than 2.5 acres per cow-calf pair per year. The average rental rate for intensively grazed pasture was \$45.07.

Table 2 reports the results of previous Missouri cash rent surveys. Earlier surveys asked questions specifically for corn ground and soybean ground. This year the two were recognized as growing on the same ground and have been reported as row-crop ground on the last two survey taken by MU Extension. Row-crop ground growing corn and soybeans has been very flat in the mid \$140’s since 2014. The rental rate for farms that had some

ground planted to wheat went down slightly since our last survey in 2018. Rental rate for irrigated corn went down slightly while rental rates for irrigated rice rose.

Cash rental rates tend to follow land values. The USDA reported land values for Missouri changed very little from 2014 to 2020. This would indicate that land rental values would change very little during that time period — which is what our rental rate survey shows. USDA and Missouri land value surveys indicate that land prices increased markedly in 2021. This may lead to higher land rental rates in 2022. For this reason, our historical land rental rates published in this guide probably underestimate rental rates likely to prevail in 2022 and beyond.

Table 3 presents the summary of lease rates by acre. The large range in rental rates indicates several factors not included in our survey must be affecting the value of hunting rights. Leases for ducks and geese usually allowed 5 or more hunters on the property. Other hunting leases would often specify 5 or fewer hunters permitted on the property.

This is the third time the hunting leases rates were requested from Missouri landowners and farmers. Hunting leases are very site specific. This makes summarizing hunting lease rental rates difficult. Most hunting lease responses indicated that the rent was based on time (per year or per season), the number of hunters allowed and the number of acres where hunting can occur. For a more detailed description of hunting leases see MU Extension publication, G9420, [Landowners’ Guide to Lease Hunting in Missouri](https://extension.missouri.edu/g9420) (https://extension.missouri.edu/g9420).

Table 2. Multiyear comparison of Missouri cash rental rates.

Type of land	Average rates per acre per year							
	2010	2011	2014	2015	2017	2018	2020	2021
Cropland								
Dryland row-crop					140.55	146.81	144.13	147.42
Corn	111.99	121.75	146.83	145.50				
Soybean	105.67	113.88	143.83	148.74				
Wheat	83.29	68.69	95.25	92.05	127.19	122.50	106.20	113.91
Irrigated row-crop					199.73	196.43		195.88
Cotton					177.00	193.33	NA	NA
Rice					178.57	180.00	204.00	204.00
Hay	30.95	32.91	30.81	32.33	36.88	36.88	NA	NA
Pasture and grazing land								
Good pasture	29.88	31.43	35.91	38.41	41.20	40.74	39.94	40.27
Fair pasture	23.57	24.01	29.98	30.56	30.67	32.15	34.84	33.98
Timber pasture	15.59	16.63	17.98	17.96	28.13	28.13	NA	NA

Table 3. Missouri hunting leases in 2021.

Species	Rent per acre (annual)		Acres per lease		Number of responses
	Average	Range	Average	Range	
Any wildlife	9.64	1.67 to 25.38	376	60 to 1,462	12
Deer and turkey	12.34	2.50 to 75.00	242	20 to 948	18
Deer only	13.86	3.53 to 21.00	586	40 to 1,700	5
Ducks and geese	45.50	NA	260	40 to 700	6

The quantity and quality of the wildlife accessible on a piece of land are important determinants to the fair value of a hunting lease. However, those are not measured in a lease survey. The number of acres in the lease will impact rental rates for the lease categories of “any wildlife,” “deer and turkey” and “deer only.” The number of hunters allowed on the land also will affect hunting lease rates.

Our survey also asked for rental rates of buildings and structures. Eighteen grain bin responses indicated an average of \$0.17/bushel/year rent with a range from \$0.09 to \$0.25. This year only one respondent indicated that they charged grain bin rental on a monthly basis. The rest indicated that rent of the grain bin was annual.

We received insufficient responses on livestock facilities and machine shed to estimate a common rental rate.

Cash rental considerations

In a cash rental agreement for crop production, a tenant pays a landowner a fixed amount of money per acre. No share of production or nonmonetary payment is exchanged in a cash lease. A small number of crop cash rental agreements are adjusted for exceptional yields or prices.

Typically, the tenant pays all costs associated with raising crops and livestock on leased land. Landowners normally pay for improvements expected to endure beyond the period of the lease and all expenses related to property ownership.

Higher yielding land is expected to demand a higher rental rate than lower yielding land. Table 4 shows the corn and soybean yield averages and range for reported rental rates.

Forty-three percent of farmers indicated that they paid the cash rent in full in a single month — usually either March or April. Another 50 percent of farmers indicated they split cash rent between two months — usually a spring payment in March or April and a fall payment between October to December. Seven percent of farmers make rental payments three or more times per year.

Half the survey respondents indicated that they renegotiated their lease every three to five years. The next most common arrangement was to renegotiate the lease annually — one third reported this.

A written lease that describes the terms of the agreement is recommended. Example lease forms for cash rent of cropland and pasture can be found at [Ag Lease 101](https://aglease101.org/) (<https://aglease101.org/>). It is common for a

Table 4. The relationship between average crop yield and annual rental rate.

Rental rate (dollars per acre)	Corn yield (bushels per acre)		Soybean yield (bushels per acre)	
	Average	Range	Average	Range
Less than 100	136	125 to 150	40	25 to 50
101 to 125	149	80 to 180	47	40 to 65
126 to 150	160	140 to 185	46	25 to 70
151 to 175	173	160 to 200	53	40 to 65
176 to 200	172	85 to 200	53	35 to 65
Greater than 200	214	170 to 260	54	38 to 80

cash lease to contain restrictions on use, such as crops grown, required fertility, and maintenance of roadways or fence. Pasture or livestock leases may specify a maximum stocking rate. Storage facilities may specify the type of crop to be stored and payment of utilities. All cash leases should specify the amount of rent due, the time and method of payment and the duration of the lease. AgLease101 contains extensive information on what to consider when leasing land, animals, equipment and buildings.

Pros (+) and cons (–) of cash renting

The tenant

- + Is relatively free to make management decisions.
- + Receives all profit resulting from higher yields or higher commodity prices.
- + May enroll in government programs and receive the entire payment.
- Has increased risk, because rent is fixed regardless of production.
- Can have large capital requirements for production expenses.
- Can have rent raised for doing a good job as the landowner sees profit being obtained with his or her property.

The landowner

- + Is assured of a specific level of income.
- + Is not required to commit cash in the production process.
- + Has no worries about storing or marketing crops.
- Does not receive as much money as in a crop share arrangement during good years.
- May worry that the tenant will not maintain the property.
- Has little chance to do income tax management.

Cash rental agreements increase the risk to the tenant. A variable or flexible cash rental agreement based on yield, prices, or both can help distribute risk and income between both tenant and landowner. If a variable or flexible cash rental agreement is used, it is suggested that the proposed agreement be reviewed by the USDA Farm Services Agency office for clarification of its impact on program participation and payments.

Additional resources

For information on other types of rental arrangements and lease forms, contact your regional agricultural business management specialist. Additional information and forms are also available at [Ag Lease 101](https://aglease101.org/) (<https://aglease101.org/>), a website created by the North Central Farm Management Extension Committee.